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Kolste Bill to Regulate Prescription Drug Entity Receives Hearing

MADISON – Assembly Bill (AB) 621, a bipartisan bill authored by Rep. Debra Kolste, received a public hearing in the Assembly Committee on Health today. The bill would allow the state to regulate the operations of pharmacy benefit managers, also known as PBMs, an important but relatively unknown player in the prescription drug marketplace.

Through their contracts with manufacturers and insurers, PBMs influence which pharmacies we can use as well as what prescription drugs we take and how much we pay for them. Pharmacy benefit managers manage prescription drug benefits for 95% of Americans with prescription drug coverage.

“This is an enormously powerful player with little to no state oversight,” said Rep. Kolste. “Before we can best determine how to lower prescription drug prices for consumers we need transparency to know how much these entities are benefitting financially.”

Numerous lawsuits have been filed by states and the federal government alleging misconduct against PBMs, including fraud, unjust enrichment, and failure to meet ethical and safety standards.

“By allowing the state of Wisconsin’s Insurance Commissioner to regulate and oversee PBMs, Assembly Bill 621 would be a good first step in ensuring ethical practices,” Kolste added.

“We need to be confident that PBMs are not abusing their position in the marketplace as middlemen and are acting in the best interest of their clients and patients.”